Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

0057033

02-BUD-0077

APR 19 2002

Mr. Tom C. Fitzsimmons, Director
State of Washington
Department of Ecology
P.O. Box 47600
Olympia, Washington 98504

Mr. L. John Iani, Regional Administrator
U.S. Environmental Protection Agency
Region 10
1200 Sixth Avenue
Seattle, Washington 98101

Addressees:

TRANSMITTAL OF FISCAL YEAR (FY) 2004 U.S. DEPARTMENT OF ENERGY (DOE), HEADQUARTERS (HQ) BUDGET FORMULATION GUIDANCE

Per Tri-Party Agreement Paragraph 149 A requirements, enclosed is the FY 2004 HQ Budget Formulation guidance received April 10, 2002, by DOE Richland Operations Office (RL) and DOE Office of River Protection (ORP). RL and ORP have not yet issued EM guidance to our contractors. A copy of local guidance to the contractors will be provided to you under separate cover within two weeks after issuance. If you have any questions for the Richland Operations Office, please contact Bob Tibbatts, Director of the Budget Division, at (509) 376-8669. If you have any questions for the Office of River Protection, please contact Jennifer Sands at (509) 373-4300.

Sincerely,

W. Wade Ballard, Assistant Manager
for Planning and Integration

BUD:JLW

Enclosure

APR **19** 2002

cc w/encl:
D. R. Einan, EPA
R. Gay, CTUIR
J. S. Hertzel, FHI
R. Jim, YN
O. S. Kramer, FHI
T. M. Martin, HAB
E. J. Murphy-Fitch, FHI
K. Niles, Oregon Energy
J. L. Sands, BMA
P. Sobotta, NPT
R. F. Stanley, Ecology
M. A. Wilson, Ecology
Administrative Record

6.0 FY 2004 Budget Formulation Module

6.1	Policy and Topical Guidance

6.1.1	Process for FY 2004 – FY 2008

Consistent with EM-1's memorandum to the Assistant Secretary for Management, Budget, and Evaluation, EM will be using a phased approach to collect and report information for the FY 2004 budget formulation process and to meet the Departmental requirements associated with FY 2004 – FY 2008 planning. This is due to the significant changes that are underway in EM due to the Top-to-Bottom Review and the FY 2003 Cleanup Reform Account.

EM will be collecting budget data to support the FY 2004 budget formulation process and the Departmental FY 2004 - FY 2008 planning guidance using the following process:

- Sites that are not receiving Cleanup Reform Account money or that have reached a decision on Cleanup Reform Account money by April 15th should input data for FY 2004 (and FY 2003 incremental funding) in the IPABS-IS Budget Module by May 20th. This includes Rocky Flats, Carlsbad, Richland, Office of River Protection, Headquarters, Science and Technology, and Program Direction.

- Other sites where Cleanup Reform decisions are not made by April 15th shall submit high-level summary budget and planning data by May 20th in accordance with guidance that will be provided (see Section 6.2). Then, those sites shall provide updated detailed budget data (via IPABS-IS) after the Cleanup Reform decisions have been made but no later than July 26th. Specific deadlines for each Operations/Field Office will be documented on a case-by-case basis.

Budget data for FY 2002 through FY 2004 will also be considered "planning data" for those years for purposes of satisfying the requirements contained in the memorandum from Francis S. Blake, "UPDATED FY 2004-2008 PLANNING GUIDANCE." It is assumed that the budget request is consistent with Operations/Field Office's baseline. The FY 2004 budget request should be

consistent with any revised planning assumptions that are being implemented at the site due to Cleanup Reform changes and/or Top-to-Bottom Review recommendations.

6.1.2	Key Areas

6.1.2.1	Budget Authority

Operations/Field Offices are required to submit "Audit Quality" budget authority (BA) distribution for FY 2004 by Project Baseline Summary (PBS) at the request level. This level should accommodate the minimum amount of funding necessary to be in full compliance as required by Executive Order 12088.

The following budget authority data are required in the Spring FY 2004 Budget Formulation Update:

For FY 2003:

- For those sites that do not receive an increment of the $800M Cleanup Reform initiative, the FY 2003 "Base" funding will be locked to be consistent with the FY 2003 Congressional Budget Request.

- For those sites that receive an increment of the $800M Cleanup Reform initiative, the FY 2003 "Base" funding will be open for editing and should reflect changes as a result of receiving the incremental funds.

- For FY 2003, sites that receive an allocation of the $800M Cleanup Reform initiative will be required to provide an "Audit Quality" BA distribution by PBS of that FY 2003 incremental funding. Sites that did not receive a portion of the Cleanup Reform Account should not provide any incremental funding.

For FY 2004:

- "Audit Quality" BA distribution is required for FY 2004 by PBS at the request level. This has two parts, base and incremental funding. BA distributions by PBS are not required at the decrement and target levels.

- For FY 2004, BA associated with EM activities by five categories at the request level (see Attachment U for more information on the categories);

The distribution of BA by PBS for FY 2004 will be required (via validation routine) to match the distribution by PBS as entered in the IPL (now called the Peer Review Project List) and the Five Category Crosscut Categories.

Five Category Crosscut of EM Activities

Last fall, EM collected offline a categorization of EM activities into the following five categories:

- Established Pathways for Closure and/or Cleanup
- Waste, Materials and Facilities Disposition Operations
- "Caretaker" Activities
- DOE-Wide Environmental Services and Missions
- Other

To support FY 2004 formulation, this information will be collected as part of the IPABS Spring Budget Module. At the PBS level, discrete activities for FY 2004 should be placed into the five categories shown above. Definitions of each category are provided in Attachment U.

6.1.2.2 Safeguards and Security

EM budgets for safeguards and security (S&S) activities in a separate program account. PBSs have been created under the Defense Environmental Restoration and Waste Management program account and the Defense Facilities Closure Projects program account. These PBSs are used to formulate and execute the S&S budget in IPABS-IS. The same information will be required for the S&S PBSs that are required for other PBSs.

Further S&S information is required as part of the Spring Budget Update, separate from the IPABS-IS data submittal. Please refer to Attachment K for additional guidance and crosscut requirements. The FY 2004 S&S Field Budget Request for EM S&S funding will follow the Office of Management, Budget and Evaluation guidance for inflation rates by using your adjusted[1] FY 2002 Presidential

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[1]"Adjusted" refers to all currently known S&S funding profiles which may include FY 2002 Approved Funding Program changes and S&S supplemental funding that carry outyear mortgage implications, (e.g., additional SPOs or line item construction).

Budget Funding as the base year. Each Operations/Field Office should also comply with any other supplemental safeguards and security requirements distributed by EM (see Attachment K) or the Department. The additional information will not be collected through the IPABS-IS data collection system.

6.1.2.3   Facility Transfers

Excess Facilities

EM collects budget formulation information for excess facilities that EM has accepted into the program. In FY 2002, separate program accounts and formulation PBSs were created in the Defense and Non-Defense appropriation accounts to accommodate the collection of excess facilities budget formulation data. The same information will be required for these PBSs that is required for other PBSs.

The excess facility request in FY 2004 must only be for follow-on funding for facilities that have already transferred to EM in prior budget years in accordance with signed Memorandum of Agreements. If any agreements are reached to transfer additional excess facilities into EM in FY 2004, budget requests for surveillance and maintenance and any additional work will be developed offline. Proposed FY 2004 transfers should not be included in the initial field request. Current program owners should include those costs in their FY 2004 – FY 2008 budget submission.

Active Facilities

The Operations/Field Office requests for FY 2004 should not include funding for potential facility transfers into EM. Similarly, sites should properly budget for all current EM facilities. If any agreements are reached to transfer additional facilities into (or out of) EM in FY 2004, budget requests for surveillance and maintenance and any additional work will be developed offline. Proposed FY 2004 transfers should not be included in the initial field request. Current program owners should include those dollars in their FY 2004 – FY 2008 budget submission.

Exception: Based on Francis S. Blake's "Updated FY 2004-2008 Planning Guidance," Nuclear Energy will turn over the Fast Flux Test Facility for cleanup in FY 2004. A new PBS has been added under the Richland Operations Office to accommodate this facility transfer. Richland should request adequate funds to begin the cleanup of this facility in FY 2004, and should assume a target

transfer from Nuclear Energy will occur during the CRB process (over and above previously planned EM scope of work).

6.1.2.4   Peer Review and Driver Categorization

An integrated priority list will not be collected this year. That tab in IPABS-IS will be used to collect Peer Review and Driver category information. This data will be called the "Peer Review Project List" (PRPL). PRPL data should be at the PBS level. The PRPL should reflect the entire scope of work that the site would be able to accomplish in FY 2004 at the request level within each PBS. Sites are to include privatization, safeguards and security, and excess facilities (no new proposed transfers) funding in their PRPL.

Each PBS must be categorized by Compliance Driver and by Peer Review Work Classification. Definitions of Peer Review Categories and Compliance Drivers, as well as detailed guidance are provided in Attachment L. As in past years, the BA associated with each PBS must be allocated into the ten Compliance Driver categories. In most cases, more than one Compliance Driver category applies to a single PBS. The BA for each PBS must also be allocated across the seven Peer Review categories, using the FY 2003 Peer Review experience as a guide.

With regard to Peer Review data, it is extremely important that the PBS "category task description" accurately describe the work being categorized. (This year the description is not at the sub-task level -- it should be at the PBS level.) This PBS "category task description" should be a combination of activities, briefly describing the types if activities included in each particular Peer Review Work Classification. There should be one description of activities per Peer Review category per PBS. Headquarters will use this description, along with past experience and program knowledge, to evaluate the accuracy of the Peer Review categorization. As with the Compliance Driver categories, PBSs may be assigned to multiple Peer Review categories. This information is used to construct EM matrices and is invaluable in the communication and defense of the EM Budget Request.

6.1.2.5 Requirements for Headquarters-Managed Programs and Projects

The FY 2004 request for Office of Science and Technology, Program Direction, and the Headquarters/National Program PBSs are expected to be submitted via IPABS-IS. These PBSs should be submitted in compliance with all applicable sections of this guidance document.

These PBSs are not expected to receive an increment of the EM Cleanup Reform Account. Therefore, the detailed data submissions in IPABS-IS are due by May 20th.

6.1.2.6 Budget Narratives

Operations/Field Offices are required to provide the following budget narratives:

- **Prior Year Accomplishments (FY 2002/FY 2003).** This narrative field will be seeded with FY 2002 and FY 2003 accomplishments consistent with the FY 2003 Congressional Request. The year the accomplishment took place is included in parenthesis after each statement. For FY 2003, edit the accomplishments, as appropriate, to reflect the change in base funding and add accomplishments to reflect the incremental Cleanup Reform funding. Be sure to note any activities that are a direct result of the alternative approach for those PBSs affected by the incremental allocation of the $800M Cleanup Reform initiative. The description should contain quantitative information and concrete examples of milestone acceleration and increased performance measure quantity output.

- **Budget Year Planned Accomplishments (FY 2004).** Provide brief concise narratives describing the FY 2004 planned accomplishments at the request funding level. Please note any activities that are a direct result of the alternative approach for those PBSs affected by the incremental allocation of the $800M Cleanup Reform initiative. The description should contain quantitative information and concrete examples of milestone

acceleration and increased performance measure quantity output.

- **PBS Description.** Life-cycle project description, with specific emphasis on the FY 2004 through FY 2008 window. Be sure this description reflects any impact the incremental Cleanup Reform initiative funding has on the life-cycle description of the project.

- **Explanation of Changes.** The purpose of this narrative will, for the Spring Update, be twofold: 1) to explain the funding change from FY 2003 (base and increment) to FY 2004 for each PBS; and 2) to explain why the FY 2003 base program changed based on the receipt of incremental Cleanup Reform funding. Those PBSs that do not change based on receipt of Cleanup Reform funding need only provide narrative for #1.

6.1.2.7   Performance Measurement

Performance measurement is mandated by the Government Performance and Results Act (GPRA) of 1993 and is central to other legislation, Administration initiatives, and OMB criteria. EM will develop and implement an integrated FY 2004 performance-based budget that clearly demonstrates the program and project results expected for the resources requested. The FY 2004 Congressional Budget Request will include EM's corporate performance measures, specific milestones and be aligned with program activities and budget requests. The linkage between the projects' performance measures and milestones and EM's Congressional Budget Request will enable EM, Congress, and others to track and evaluate the program, on an annual basis, EM's progress towards meetings its performance goals, as well as progress towards project and geographic site completions.

6.1.2.7.1   Corporate Performance Measures

Operations/Field Offices should provide corporate performance goals for FY 2004. FY 2002 will be locked and tracked in the Project Execution Module.

For FY 2003:

- For those sites that <u>do not</u> receive an increment of the $800M Cleanup Reform initiative, FY 2003 will be locked to be consistent with the FY 2003 Congressional Budget Request.

- For those sites that receive an increment of the $800M Cleanup Reform initiative, FY 2003 will be open for editing and should reflect changes as a result of receiving the incremental funds.

EM's twelve corporate metrics (see list below) show progress in the context of the life-cycle quantities associated with cleanup. These corporate performance measures focus on programmatic accomplishments and "big picture" results. The EM corporate performance measures demonstrate tangible results towards completing cleanup or achieving the intended end state at the remaining geographic sites. These corporate performance measures include:

- Number of geographic sites completed;
- Number of release sites cleaned up;
- Number of facilities decommissioned;
- Number of facilities deactivated;
- Number of high-level waste canisters produced;
- Volume of transuranic waste shipped to the Waste Isolation Pilot Plant;
- Volume of mixed low-level waste treated and disposed;[2]
- Volume of low-level waste disposed;[3]
- Quantity of plutonium residue nuclear material stabilized;
- Number of containers of plutonium metal/oxides stabilized; and
- Quantity of spent nuclear fuel moved to dry storage.

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[2] Please note that the disposal metric reported in the Congressional Budget and other documents is a mathematical sum of on-site disposal, commercial disposal, and TBD disposal. The "Ship to DOE disposal site" will still be collected to verify inter-site transfers.

[3] See above.

> Note: Confusion between "stabilized" measures and "made disposition ready" measures has existed in the past. To eliminate the confusion, "made disposition ready" are no longer options. It should be assumed that "stabilized" is synonymous with "made disposition ready." Therefore, sites with nuclear materials should use the "stabilized" measures if nuclear materials are being stabilized or made disposition ready.

6.1.2.7.2   Key Milestones

PBS milestones reported in the budget describe planned project and program accomplishments and often are not captured in EM's corporate performance measures. It is therefore important that EM's Congressional Budget Request include both the corporate performance measures and key project-specific milestones to fully capture the project's core work scope and accomplishments and justify the budget request. All PBSs, both mission-oriented and support-oriented, should have a budget milestone.

Operations/Field Offices should provide key budget milestones for FY 2004. Each PBS should have one to four milestones that are key indicators of the project's progress.

New for this year—the Field should identify critical decision milestones for capital asset projects as budget milestones.

6.1.3   Special Emphasis Areas

Operations/Field Offices should refer to the FY 2004 – FY 2008 guidance for more information on the following subjects as well as human capital planning.

Rocky Flats National Wildlife Refuge and Museum

As part of the FY 2004 – FY 2008 guidance, EM will submit in each of the fiscal years, 2003 to 2007 at the time of the budget submission, the report on the Rocky Flats National Wildlife Refuge and the Rocky Flats Museum as specified in the FY 2002 Defense Authorization bill.

Information Technology Capital Investments

As part of the Departmental Corporate Information Officer's (CIO) contract with the Office of Management and Budget (OMB) to address DOE's management of Information Technology (IT) investments, beginning in FY 2004, the process of prioritizing and selecting IT investments will be integrated with the Departmental budget cycle prior to submission to OMB.

Consistent with the Department's approach, EM will align its IT investment process with the EM budget cycle. It is expected that each site will follow a structured and documented approach to prioritize and select IT investments. Site approaches should be tailored to address unique site characteristics. A copy of the *EM HQ Selection Process Guidebook* has been provided as Attachment M for consideration by sites that lack formal or structured processes.

EM's IT investment process includes the following activities:

Activity	Date
Selection and prioritization of IT investments at each site using local governance mechanisms	March-April
EM complex-wide IT investment planning (OMB training, Strategic Planning, Architecture)	April 16-19, 2002
EM complex-wide IT investments based on updated IT Portfolio	May 14-16, 2002
EM HQ CIO assessment and recommendation of consolidated EM IT investments to EM-1	May 16-20, 2002
Budgets, including 53s for all IT investments and 300s for investments = $2M, received from EM sites	May 20, 2002
EM Corporate Forum (review of HQ and field budgets, including IT)	May 21-June 14, 2002
Submission of EM budget to ME and (IT investments/Exhibit 53s to CIO)	Mid-June
Joint LPSO IT Investment Review	June 18-July 15, 2002
DOE budget submission to OMB	September

OMB will be offering complex-wide training to DOE on preparing 300 Capital Asset Plans. The training is scheduled for April 16, 2002 and will be held in Washington, D.C. Information about the location and time has been provided to the field CIOs.

For the FY 2004 submission, 100% of IT investments must be reported, including hardware, software, databases, contractor support/services, and federal staff supporting the investments. OMB requires that all IT investment data for the FY 2004 budget cycle be submitted via I-TIPS. EM will use two tools for collecting the data: the Information Technology Investment Portfolio System (I-TIPS) and the IT Portfolio tool developed by the Office of Science. Headquarters EM will use I-TIPS for the collection of all data. EM field sites are encouraged to use I-TIPS as well. However I-TIPS does not currently provide for batch load capabilities. Sites may therefore elect to use the IT Portfolio tool that was used by EM, SC, and NNSA to capture IT investments for the FY 2003 submission. Distribution of the updated Portfolio tool is planned for the second week in April.

Questions on IT investment requirements should be directed to Margaret O'Brien at (202) 586-8213.

Infrastructure

EM and DOE have undertaken a major initiative to revitalize the Department's sites by restoring their deteriorating infrastructure. Many of the Department's facilities and utilities are 50 years old and are operating beyond their design lives. As a result, the missions of the Department, including the weapons complex cleanup, are being adversely impacted. The EM aspect of the initiative is focused on its three long-term, multi-program sites – Hanford, Idaho, and Savannah River. The FY 2002 Energy and Water Appropriations Conference Report states that "Beginning in fiscal year 2003, to ensure sustained improvement in project and real property management, the conferees direct the Department to present an integrated facilities and infrastructure budget request."

A DOE-internal integrated infrastructure budget was developed for FY 2002 and 2003, in which EM participated. For FY 2004, a similar effort will be undertaken. As in the past, EM infrastructure budgets will be developed at the site level within current accounts and, from them, crosscuts at the EM and Departmental level will be derived. For the FY 2004 budget, guidance will be developed by the EM Infrastructure Working Group. It will be built on the work they have already accomplished for the FY 2002 and FY 2003 budget formulation and with the Infrastructure Restoration Plans, as well as with the strategies developed under the Departmental initiative. The guidance will be issued in early 2002 and the products will be submitted at the same time as the other material required for the fiscal year 2004 EM budget formulation review.

Facilities and Infrastructure Crosscut

In accordance with the Deputy Secretary's FY 2004 – FY 2008 planning guidance, beginning in FY 2004, EM is required to submit an integrated facilities and infrastructure crosscut budget. This crosscut will include all EM-funded direct and indirect costs related to capital construction, operations, maintenance, and related facilities and infrastructure costs across the DOE complex.

Specific guidance on supplementary budget data requirements is detailed in Section 3, Chapter IV, of the Field Section of the DOE Budget Formulation Handbook distributed by the Office of Management, Budget and Evaluation on March 25, 2002. Copies of all crosscut data submitted in accordance with the Budget Formulation Handbook requirements should be provided to Bill Levitan, EM-40 and Barry Gaffney, EM-12.

ES&H Crosscut

In accordance with the Deputy Secretary's FY 2004 to FY 2008 planning guidance, beginning in FY 2004, ES&H crosscut data is required which shows how Offices are funding necessary steps to maintain and improve the Department's ES&H performance.

Specific guidance on supplementary budget data requirements is detailed in Section 1, Chapter IV, of the Field Section of the DOE Budget Formulation Handbook distributed by the Office of Management, Budget and Evaluation on March 25, 2002. Copies of any off-line crosscut data submitted in accordance with the Budget Formulation Handbook requirements should be provided to S. Johnson, EM-5 and Eli Bronstein, EM-12.

6.2 High-Level Summary Planning and Budget Data Submission Requirements

6.2.1 General Overview

Consistent with EM-1's memorandum to the Assistant Secretary for Management, Budget, and Evaluation, EM will be using a phased approach to collect and report information for the FY 2004 budget formulation process and to meet the Departmental requirements associated with FY 2004 – FY 2008 planning. This is due to the significant changes that are underway in EM due to the Top-to-Bottom Review and the FY 2003 Cleanup Reform Account.

EM will be collecting data to support the FY 2004 budget formulation process and the Departmental FY 2004 - FY 2008 planning guidance using the following process:

- Sites where Cleanup Reform decisions are not made by April 15th shall submit off-line high-level summary planning and budget data by **May 20th**, in accordance with the guidance contained in this document. Then, those sites shall provide updated detailed budget data (via IPABS-IS) and completed lifecycle planning spreadsheets six weeks after the Cleanup Reform decisions have been made, but no later than **July 26th**. Specific deadlines for each office will be documented on a case-by-case basis.

- Sites that expect no increase from Cleanup Reform, and sites that have reached a decision on Cleanup Reform funding by April 15th will input data for FY 2004 (and FY 2003 incremental funding) in the IPABS-IS Budget Module by May 20th, in accordance with the guidance provided in Chapter 6, Section 6.1. This includes Rocky Flats, Carlsbad, Richland, Office of River Protection, Headquarters, Science and Technology, and Program Direction.

- Sites that expect no increase in funding from Cleanup Reform and sites that receive a decision on increased funding from the Cleanup Reform account for FY 2003 by April 15th will also submit the lifecycle planning spreadsheets by May 20th.

The high-level summary data required by this guidance should be submitted to Janice Fowler (Janice.Fowler@em.doe.gov). Direct any questions to Janice at 301-903-8130.

6.2.2   Schedule

As noted above, specific deadlines for each office may vary by site. Key dates are listed below:

Schedule	Date
Template and Guidance Issued	April 9, 2002
Trigger Date for Off-Line Submission of High-Level Summary Data (based on whether Cleanup Reform Funding was received)	April 15, 2002
Due Date for High-Level Summary Data Submission	**May 20, 2002**
Latest Possible Submission Date for Detailed Budget Data (via IPABS-IS) and Planning Spreadsheets (off-line)	July 26, 2002
Submission of DOE budget to OMB	September
Full Lifecycle Planning Update	TBD
Complete Fall Budget Update	TBD

6.2.3   Template Guidance

6.2.3.1   General

The summary-level template is intended to provide strategic planning and budget information for EM sites. Each Operations/Field Office submission should be 3 to 5 pages in length. It will be utilized as a placeholder budget document for submission to the Office of Management, Budget and Evaluation in the June timeframe. This is with the understanding that as soon as possible following decisions regarding Cleanup Reform Account funding, detailed data should be submitted.

A template format (with examples) is provided as Attachment A to this guidance. Instructions for completing each section of the template are provided as follows:

6.2.3.2   Operations/Field Office Funding Summary

- Represents Budget Authority in all years, dollars in thousands.

- For some Operations/Field Offices, this funding summary will be one number, at the Operations/Field Office total level. However, for Operations/Field Offices with installations of political interest (e.g., Paducah, Portsmouth, Brookhaven, etc.), the funding must be broken out by installation. Each Operations/Field Office's template has been customized with the appropriate installations that must be broken out, as applicable. Do not add, delete, or modify this display in any manner.

- "FY 2002 Adjusted Approp" is the current appropriation and ties to the *FY 2002 Funding Allocation* contained in each site's November 27, 2001 letter from Jessie Hill Roberson. This number has been adjusted for 1) any approved FY 2002 reprogrammings; and 2) the addition of privatization, safeguards and security, and excess facilities funding, since this funding is to be INCLUDED in your FY 2004 request.

- "FY 2003 Cong Request" is the FY 2003 Congressional Request, as submitted to Congress in February 2002. This number has been adjusted for the addition of privatization, safeguards and security, and excess facilities funding, since this funding is to be INCLUDED in your FY 2004 request.

- "FY 2003 Increment" is the Operations/Field Office share of the EM Cleanup Reform Account in FY 2003.

- "FY 2003 Total" is a calculated total of "FY 2003 Cong Request" plus "FY 2003 Increment".

- "FY 2004 Request" is the Operations/Field Office full request level for FY 2004 based on the alternative scenario. Include funding request for safeguards and security, privatization, and excess facilities requirements. Exclude funding request for program direction, headquarters-managed national programs, and science and technology.

6.2.3.3 Operations/Field Office Funding Comparison

- All funding is in Current Year dollars.

- Include funding for safeguards and security, privatization, and excess facilities. Exclude funding for program direction, headquarters-managed national programs, and science and technology.

- "Current Baseline Estimate" should reflect the current baseline cost estimate.

- "Cleanup Reform Alternative" should reflect the revised cost estimate under the alternative approach, considering the Cleanup Reform incremental funding.

- "Delta Current vs. Reform" is a calculated field that displays the increase or decrease between the Current Baseline Estimate and the Cleanup Reform Alternative.

- "Cumulative Prior Years (1997-2002)". FY 1997 through FY 2001 will be seeded with actual costs based on MARS data. FY 2002 will be seeded with 2002 estimated costs from the EM Corporate Database. These values should be the same in both the "Current Baseline Estimate" as well as the "Cleanup Reform Alternative".

- "FY 2003 Congressional Request". Reflects the FY 2003 Congressional Request. This value should be the same in both the "Current Baseline Estimate" as well as the "Cleanup Reform Alternative".

- "FY 2003 Cleanup Reform (increment)". Reflects the increment of the Cleanup Reform account funding the Operations/Field Office expects to receive in FY 2003. The "Current Baseline Estimate" should be zero.

- "FY 2004 Estimate" through "FY 2008 Estimate". Reflects year-by-year cost estimates such that one can compare the current baseline to the alternative scenario, and see the cost saving impact of the incremental Cleanup Reform funding.

- **"FY 2009 & Beyond (Estimate)".** Reflects the remaining lump sum cost of the current baseline estimate or the cleanup reform alternative.

- **"TOTAL, XX Operations/Field Office".** A calculated field, which should reflect the total current baseline cost estimate, total revised baseline cost estimate based on Cleanup Reform, and the delta between the two estimates.

6.2.3.4   Current Baseline Plan

This section should include a summary-level narrative discussion of the current baseline, including the programmatic scope of work that is required by the primary regulatory agreements. Also discuss the current baseline cost estimate and current approach for accomplishing the programmatic scope of work.

6.2.3.5   Alternative Scenario

This section should include a summary-level narrative discussion of the alternative cleanup strategy for acceleration based on the incremental Cleanup Reform Account funding. Sites should discuss their overall assumptions associated with the alternative strategy, and cite specific examples.

Sites should compare the current baseline total cost estimate to the alternative strategy cost estimate, and discuss the cost savings achieved by the alternative strategy. In addition, compare and contrast the new alternative strategy versus the current baseline (old strategy). Include a comparison of quantifiable performance measures and milestones, where applicable.

6.2.3.6   Safeguards and Security (S&S)

- Represents Budget Authority in all years, dollars in thousands.

- This funding summary should be one number, at the Operations/Field Office total level, that represents the total Safeguards and Security requirements for the site. This

funding summary is not required to be broken out by PBS unless that data is available.

- "FY 2002 Adjusted Approp" is the S&S current appropriation and ties to the *FY 2002 Funding Allocation* contained in each site's November 27, 2001 letter from Jessie Hill Roberson (adjusted only for approved FY 2002 reprogrammings).

- "FY 2003 Cong Request" is the FY 2003 Congressional Request level for S&S, as submitted to Congress in February 2002.

- "FY 2003 Increment" is the Operations/Field Office share of the EM Cleanup Reform Account in FY 2003 that is allocated to S&S activities. **If Cleanup Reform funding is allocated to S&S activities, there must be an explanatory narrative statement that describes the relationship of these S&S activities to acceleration and the alternative approach.**

- "FY 2003 Total" is a calculated S&S total of "FY 2003 Cong Request" plus "FY 2003 Increment".

- "FY 2004 Request" is the Operations/Field Office full request level for FY 2004 Safeguards and Security.

- Include a summary-level narrative discussion of safeguards and security requirements for FY 2004.

6.2.3.7	Significant Issues

This section should include significant issues regarding the site's FY 2004 request or the alternative strategy. Issues should be separated between "budgetary" and "programmatic".

Attachment L
Peer Review and Driver Category Descriptions

L.1. PEER REVIEW CATEGORY AND DRIVER DESCRIPTIONS

Peer Review Category	Category Name	Peer Review Category Description
A	Minimum Safety	Those surveillance, maintenance, and support activities required to control existing material, waste, and facilities in a safe, stable condition (e.g., maintain ventilation systems to prevent buildup of explosive gases). No remediation, stabilization or disposal will occur unless safety related. Activities, which simply comply with regulatory requirements and agreements but are not necessary for safe operations should *not* be included.
B	Essential Services	The balance of activities required to maintain the facility without advancing the mission (e.g., security outside the site fence).
C	Significant Safety Risks	Work required to mitigate known risks (e.g., DNFSB 94-1), which pose a significant hazard to workers, public and/or the environment.
D	Additional Environmental Requirements	All other environmental activities (e.g., low risk environmental restoration) that have not been placed in any other of the Peer Review Work Classifications.
E	Non-Proliferation	Management and disposition of foreign spent nuclear fuel and special nuclear material (e.g., IAEA). This does not include grant funding.
F	Mortgage Reduction	Investing in activities that will result in lower life-cycle costs (e.g., accelerated processing to closeout HLW tanks).
G	Community Mandates	Activities resulting from implementation of DOE policies. Examples include, but are not limited to, PILT, State Oversight, AIPs, HBCUs, Tribal Grants, cooperative agreements, emergency preparedness grants, and openness initiatives. Litigation and adjustments to under-funded pensions are also part of this classification.

Driver Category	Driver Name	Driver Category Description
1	Required by a compliance agreement.	This category includes activities required to meet enforceable milestones agreed to in cleanup and compliance agreements, as well as program support/management activities directly required to meet these milestones.
2	Required by a court order, settlement agreement, or consent decree.	This category includes activities performed to comply with consent decrees, settlement agreements, or court orders, as well as program support/management activities that directly support these activities.
3	Required by federal environmental statute or regulation (includes permits).	This category includes activities required to comply with federal environmental statutes, regulations, and permits that are not already captured under categories 1, 2, 4, or 6. Federal environmental statutes include, but are not limited to the Pollution Prevention Act, Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, Safe Drinking Water Act, Comprehensive Environmental Policy Act, WIPP Land Withdrawal Act. This category also includes program support/management activities that directly support compliance with these federal laws and regulations.
4	Required by state or local statute or regulation (includes permits).	This category includes activities necessary to comply with applicable state or local statutes, regulations, existing permits, draft permits, or proposed agreements not already captured under categories 1, 2, or 3. This category also includes program support/management activities that directly support compliance with these laws and regulations.
5	Required to comply with commitments to the Defense Nuclear Facilities Safety Board (DNFSB).	This category includes activities necessary to comply with Departmental commitments to the DNFSB. This category also includes program support/management activities that directly support compliance with these commitments.
6	Required by DOE Order - Environment, Safety, and Health (DOE ES&H).	This category includes activities required to meet one or more internal DOE ES&H requirements not already captured by categories 1, 2, 3, 4, or 5. This category includes work driven by the Atomic Energy Act (nuclear safety in particular). This category also includes Executive Orders and program support/management activities that directly support compliance with these orders.

Driver Category	Driver Name	Driver Category Description
7	Required by DOE Order - Management and Other.	This category includes all actions taken in response to DOE orders designed to implement best management practices. Program support/management activities (e.g., DOE staff, support contractors, budget planning, and facility operation) are included in this category when the primary activity supported does not fall under categories 1, 2, 3, 4, 5, or 6 above.
8	Required by Agreements-in-Principle or Agreements with Tribal Nations.	This category includes activities that are not required by categories 1, 2, 3, 4, 5, or 6 above, but are essential to meeting requirements of Agreements-in-Principle (AIPs) or Agreements with Tribal Nations.
9	Required to meet a proposed Compliance Agreement.	This category includes proposed or ongoing activities required by the projected provisions of proposed compliance agreements not already captured by categories 1, 2, 3, or 4.
10	Other Essential Management Functions.	This category includes activities not required by environmental laws or internal ES&H requirements, but considered essential to effective site operations.

L.2. PEER REVIEW METHODOLOGY

The Peer Review criteria for reviewing and categorizing EM work being performed at each site and for categorizing the budget estimates associated with that work are listed below (not in priority order):

- **Peer Review Work Classifications/Drivers:** The peer review work classifications and drivers are intended only to group together similar work scope. These classifications are NOT intended to imply priority of any kind.

- **Evaluate scope of work only:** Dollar estimates follow the work to the appropriate cell in the peer review matrix without revision, validation, reprioritization, or any other type of change or review.

- **Spread support dollars to the work:** Support dollars are proportionally spread to the matrix cells where the work associated with those dollars is placed. Projects created specifically for support dollars are to be spread accordingly to the distribution of the projects they support. If there is a separate contract for activities that are considered site overhead, the budget estimates are to be placed with the work that is supported.

- **Tie work to the milestones:** If no outyear (or budget year) milestones exist, then categorize expected work the same way similar current year work with milestones is categorized. This

particularly applies to compliance agreements that have milestones for the current year in place, but those for the budget year or outyears have not yet been selected.

- **Atomic Energy Act:** Place activities required to meet the requirements of the Atomic Energy Act (nuclear safety in particular) in Driver 6. (This is a departure from the previous definitions of the EM Driver Categories, where this work was placed in Driver 3.) The Peer Review Team recommended this change be made to the EM Driver definitions. This recommendation is consistent with the Team's view that Drivers 1 through 4 should only be for activities required to meet milestones regulated by an outside agency.

- **Program Direction:** The total for Program Direction will be categorized in Driver 10, Essential Services (B) at HQ under one PBS. Sites do not include Program Direction funding in their budget requests (IPLs).

- **Science and Technology:** Categorize Technology Development according to the end product. Place enabling technologies in Significant Safety Risk (C), and improving technologies in Mortgage Reduction (F). Since there is no specific driver requiring research and development, the dollars associated with the work of Technology Development are to be placed in the cell that the work supports. Basic Science is split between Additional Environmental Requirements and Mortgage Reduction. Accelerated Site Technology Deployment is placed in Driver 10 (because awards are not yet made) with whatever work category the activity is associated.

- **Facilities built to satisfy Federal law:** Place work associated with Federal laws (e.g., West Valley Act and WIPP Land Withdrawal Act) in Driver 3.

- **NRC-licensed facilities:** Place work associated with NRC-licensed facilities in Driver 3 (e.g., RMI at Ashtabula; Battelle at Columbus).

- **Community Mandates:** Place activities that support EM work (e.g., all grants, PILT, emergency preparedness, and stakeholder activities) in Community Mandates (G), Driver 10. These are different than support costs described earlier. Any activities that are included in an Agreement-in-Principle or Agreement with Tribal Nations remain in Community Mandates (G), but are placed in Driver 8. Some community mandates may be placed in Drivers 1-3, only if specifically cited by a Compliance Agreement, Consent Order, etc.

- **Safeguards and Security:** Place safeguards and security work (including Security Investigations) in Driver 7, Minimum Safety (A) and/or Essential Services (B). Place in 7A if the work is needed to maintain minimum safe operations (e.g., such as nuclear material accountability and the guards associated with special nuclear material). Other security guards would be placed in Driver 7, Essential Services (B).

- **Shipments to WIPP:** Place shipments to WIPP that are part of a compliance agreement with the work of the compliance agreement (i.e., Rocky Flats 1MR; Idaho 2MR). If not specifically cited in the compliance agreement, place shipments to WIPP in Driver 10, Mortgage Reduction (F).

- **Site Treatment Plans:** If the site treatment plan is included in a compliance agreement, place work associated with the compliance.agreement in Driver 1, Additional Environmental Requirements (D) (i.e., Richland and Rocky Flats). If the site treatment plan is stand-alone (i.e., Oak Ridge, Savannah River, Idaho), place in Driver 2, Additional Environmental Requirements (D).

- **Decontamination and Decommissioning:** Most D&D work falls in Driver 10, Mortgage Reduction (F). An exception would be D&D work that is tied to a compliance driver (compliance agreement/ROD), whereas it would remain in Mortgage Reduction (F) but be placed in the appropriate Driver 1-4.

- **Landlord:** Place landlord work in Driver 6 and/or 7, Essential Services (B) (depending on the nature of the work). Generally, these dollars are split 50/50 between the Driver 6 and Driver 7.

- **Environmental Restoration:** Remediation (moving dirt) is classified as Additional Environmental Requirements (D). [Note that groundwater monitoring is classified as Minimum Safety (A), Driver 3 -- see below.]

- **Contract Termination Fees:** Place dollars for termination fees associated with layoffs in Driver 7, Essential Services (B) if they are the result of the natural attenuation of the work cycle. These dollars are placed in Driver 3, Essential Services (B) if they are due to a management decision not to do the work (i.e., due to budget constraints). The assumption is that unexpected layoffs fall under Federal Law (i.e., Section 3161 of the National Defense Authorization Act).

- **Litigation:** All litigation is classified as Community Mandates (G). Litigation can be included as Driver 2 only with a current judgment/court order. The majority of the dollars associated with litigation are to be placed under Driver 10 (i.e., settlement to avoid court; planned costs prior to court order).

- **Fines/Penalties:** Regulatory-driven fines as payments to states are classified as Community Mandates (G), unless fine/penalty is a trade-off that advances work, which would then be classified as an Additional Environmental Requirement (D).

- *Contract Fee:* Currently, each field office treats contract fee differently. Fee should be spread to the projects and spread within each project, along with the work, which it is associated (similar to support dollars).

- **Legal Fees:** CERCLA/Superfund fees or legal costs are classified as Driver 3, Essential Services (B). Contractor claims or settlements (such as cases related to additional reimbursement for work performed) should be categorized with the work performed.

- **Contractor Transition:** Funding associated with closeout of contract when contract term expires, and initiation/transition of follow-on contract is classified as Driver 7 (DEAR clause), Essential Services (B).

- **Surveillance and Maintenance:** Surveillance and maintenance is classified as Minimum Safety (A) and the dollars are categorized as follows:

	Driver 3	Driver 6
Facilities	40%	60%
Special Nuclear Materials	40%	60%
Groundwater Monitoring[a]	100%	--
Waste	(See Waste Chart below)	

[a]Exception: Effluent which is categorized as 80% Min Safe (A) and 20% Essential Services (B)

- **Waste Management:** Dollars associated with waste management activities are categorized as follows:

LLW Disposal Fees — Driver 2CM
RCRA, TSCA — Driver 3
Non-RCRA — Driver 6

Waste Type	Storage	Treatment	Disposal[a]
Sanitary	N/A	N/A	4ES or 6ES
Medical	N/A	N/A	6ES
Hazardous	3MS	1AER or 2AER	3AER
TSCA	3MS	1AER or 2AER	3MR
LLW	6MS	N/A	1MR, (3F NV only), or 10MR
MLLW	3MS	1AER or 10AER	1MR or 2MR
TRU	6MS	N/A	1MR, 10MR (except WIPP)
MTRU	3MS	1AER or 2AER	1MR or 10MR
HLW	Various	Various	N/A

[a]Disposal includes characterization, sorting, and transportation.

- **Newly-Generated Waste/Inter-site Waste Transfers:** Waste from other programs that EM manages is treated as an Essential Service (B). The reason is that if EM were in a "min safe" mode, other DOE programs that are generating the waste may be operational. Therefore, EM would still be required to accept/treat/ manage this waste. The same applies between sites (i.e., Savannah River may still have to accept Rocky Flats waste, even though Savannah River was in a "min safe" status).

- **Long-Term Surveillance and Maintenance:** Previously, long-term surveillance and maintenance dollars were classified the same as any other surveillance and maintenance

activity (Driver 3, Minimum Safety (A) 40%; Driver 6 Minimum Safety (A) 60%). For FY 2003 and forward, the "planning" for long-term stewardship will be placed in Driver 7, Essential Services; and the actual post-remediation surveillance and maintenance work will be placed 100% in Driver 3, Minimum Safety (A) (rather than split 40%/60%).

Attachment U
Five Category Crosscut Descriptions

1. **Established Pathway For Closure and/or Cleanup.** This category includes all activities associated with closure sites and cleanup projects that have defined, established paths for completion. For example:

   - Closure Sites – All direct and indirect cleanup activities (including activities that would otherwise be included in categories 2, 3, or 4) for closure sites (i.e., site included in Defense and Non-Defense Site closure accounts).

   - CERCLA/RCRA Decision documents – All direct and indirect cleanup activities (including activities that would otherwise be included in category 2) associated with cleanup projects where a remedy or cleanup approach has been selected or otherwise established (e.g., pursuant to CERCLA, RCRA, NEPA). Activities that directly support implementation of the remedy are included.

2. **Waste, Materials, and Facilities Disposition Operations.** This category includes activities associated with stabilization, treatment, or disposal operations for waste, nuclear materials, and excess facilities. For example:

   - DWPF and canyons operations at Savannah River Site; design and construction of the Waste Treatment Plant at Hanford; WIPP operations and TRU waste characterization, packaging and shipment; low-level waste disposal and shipment of waste for disposal; and deactivation and decommissioning of excess facilities would be included.

   - This category does not include storage of nuclear materials, tank safety operations at Hanford or Savannah River, or technology development in preparation for selecting a technology.

3. **"Caretaker" Activities.** This category includes those surveillance, maintenance, and support activities needed to maintain waste, materials, facilities, and sites in a safe and stable condition. It also includes the balance of activities necessary to maintain the site without advancing the mission. It would include, for example:

   - High level waste storage and tank safety;
   - Spent nuclear fuel storage;
   - Storage of mixed and low-level waste;
   - Cold standby activities at Portsmouth;
   - Surveillance and maintenance of facilities;
   - Groundwater monitoring;
   - Landlord functions; and
   - Safeguards and security.

4. **DOE-Wide Environmental Services and Missions.** This category includes activities that primarily support DOE-wide goals and missions, rather than EM cleanup and closure missions. It would include:

- National programs
- Foreign Fuel and Materials Acceptance Programs
- Management of newly generated waste from other DOE programs
- Science and technology programs

5. **Other.** This category includes activities not otherwise covered above. It includes:

- Community mandates, such as Agreements in Principle, advisory boards, grants and cooperative agreements;
- Litigations and pensions;
- Program Direction;
- Uranium/Thorium reimbursements;
- Technical training and education; and
- Technical support to Operations Offices.